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Folio:

A Publication of The Hanson Publishing Group, Inc.

AUGUST 1, 1990 THE MAGAZINE FOR MAGAZINE MANAGEMENT $6.50

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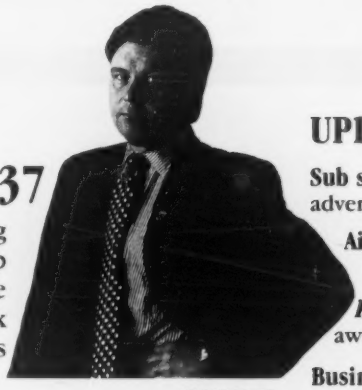

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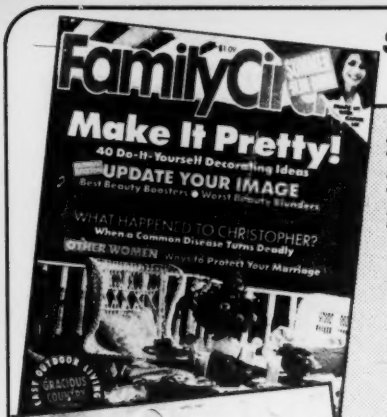
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$33,000 Median Household Income

300,000 Average Monthly Hotline
30,000 Monthly Changes of Address
4,900,000 Active Subscribers
Plus Direct Mail Sold Actives
DM Sold Sweeps Actives
DM Sold Sweeps No's
Telephone Sold Actives
3,515,626 Actives Enhanced
with over 30 demographic & lifestyle selections
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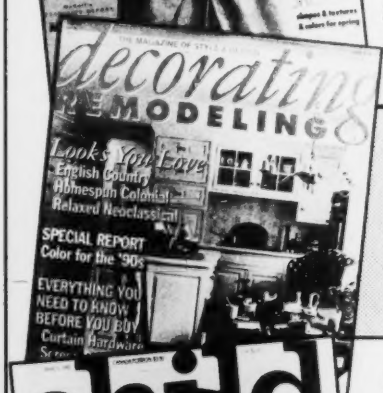

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Media buyers: Ad slump gets worse

April's relief for consumer titles proved short-lived

by John Masterton

NEW YORK CITY—After a refreshing spring break, publishers are back in the ad doldrums—and, according to media buyers, it looks like summertime blues may well extend into fall and winter.

Recent Publishers Information Bureau (PIB) figures are only the latest chapter in a grim saga. Although April seemed mildly promising, May ad pages for 174 leading titles fell 6.5 percent, to 15,302, dipping more than 1,000 pages from the May 1989 mark. The reason only 18 of PIB's top 50 ad page leaders lost ad revenue is that many titles raised page rates to offset page losses.

Meanwhile, a leading forecaster lowered his projections for ad spending growth. And media buyers suggest the news will get worse before it gets better.

The issue is more than just the fate of spending on print, warns John Gray, senior vice president/director of media planning for J. Walter Thompson. "Media spending of all kinds is suffering," he says. "And there is no prospect for spending growth in most advertising categories. I really don't see any relief in sight."

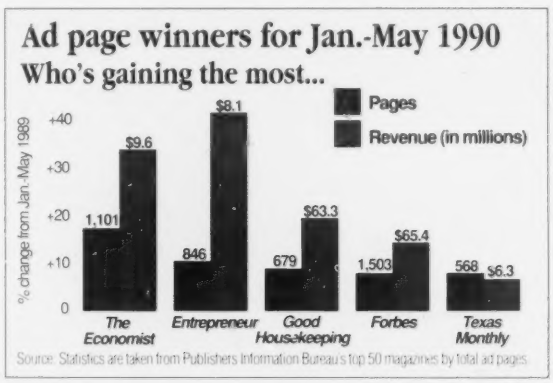
This isn't exactly what publishers want to hear. Many have already felt the squeeze on advertising revenues, complicated by worsening economic factors that are largely beyond their control. In particular, some lament, the bill for the mergers and acquisitions frenzy among advertisers in the late eighties is now coming due. Mergers often mean combining ad budgets, which results in less spending.

"We're all facing the music now for a business world mentality that said you could postpone all your problems for a year or two," explains Richard Heinemann, associate publisher/advertising sales director of *Time*, whose owner, Time Warner Inc., is the result of the largest media merger ever. "That's what the national debt and the savings and loan crisis are all about." Ad pages in the newsweekly are trailing last year's mark by 8.2 percent, while revenue is down 6.8 percent.

Unfortunately, conditions may not improve soon. "We might not see an upturn until mid 1991," speculates Edward Lewis, publisher of *Essence*, which has posted a modest page gain so far this year. "In the meantime, we'll try to hold on and run a tight ship."

Still, publishers have no choice but to look ahead. "Yes, I'd rather be having a phenomenal sales year," says Jerry Kaplan, publisher of *Better Homes and Gardens*. "But I lost three accounts worth 120 pages and I'm almost done eating that. That's life, and we don't always get a vote. I'm working with my accounts to see how we can best serve their marketing needs." Kaplan hopes second-half performance can put a dent in a 12 percent first-half page decline.

Publishers are seeking to replace lost linage from advertisers in such catego-



***Despite a lingering decline** in advertising, some titles are showing respectable page and revenue increases . . .*

. . . but other magazines continue the uphill battle in the currently soft advertising climate.

ries as tobacco, distilled spirits and domestic automobiles, all of which are spending less on print advertising. For many titles, the biggest falloff has come in domestic autos, says Jake Winebaum, senior vice president of marketing at *U.S. News & World Report*, whose 1990 ad pages have dipped 6 percent. "General Motors' 25 percent cutback hasn't helped any of us," he notes. "But it's often the largest companies that are cutting the most. There's still good activity from mid-level advertisers."

Magazine ad revenues in key categories—Jan.-May 1990* (in millions)
Retail $89
Publishing & Media $95
Apparel & Footwear $172
Business & Consumer Services $209
$342 Automotive
$129 Cigarettes & Tobacco
-30 -20 -10 0 +10 +20 +30
% change from Jan.-May 1989
*Figures do not reflect five weeks' reporting for weekly magazines in April 1990 vs. four weeks in 1989.
Source: Publishers Information Bureau

***Retail has the greatest** percentage of advertising, while tobacco continues its decline.*

A heavy schedule of special issues has helped buffer the newsweekly from some ad cuts because "we have more to talk about with advertisers," Winebaum says. "Our 'Best of America' specials and annual guides give us an edge in 'us-against-them' buying choices. They also bring in more image advertising."

In the wake of a 19.3 percent decrease in ad pages this year, *Field & Stream* is turning to new categories it says are naturals for a men's outdoor title. "We're beginning to draw more insurance and home improvement ads," says advertising director Michael Wade. "We're also targeting personal grooming products, and I think we could even get more

"Growing pressure will force some publishers to decide between going under or cutting rates."

food business. Our message is that men shop and spend money."

Indeed, many publishers may turn to food as their advertising savior. One encouraging sign, according to a McCann-Erickson "Insider's Report," is that first-quarter food advertising expenditures in magazines rose 11 percent over first quarter 1989. With this in mind, titles as diverse as *Better Homes and Gardens*, *Essence* and *Vogue* all want a bigger slice of the food advertising pie.

But they're also working harder to get their share. "It's a tough year for everyone," concedes Verne Westerberg, publisher of *Vogue*, which is 11.7 percent off last year's record ad sales pace. "We're going to work very hard for every dollar we make this year."

Although Westerberg reports booming fourth-quarter sales, few publishers now believe they can make up first-half page losses before year end.

Further clouding the future is a growing fear of deep rate cutting. Publishers say continued slow ad sales can only tempt more titles to sell off their rate cards. But long-term damage would far outweigh any short-term gains, they claim.

"We're all feeling some pain," *Essence*'s Lewis acknowledges, "but negotiating off the card isn't the answer. Better to offer a stronger product than to undercut its value."

Still, the pressures are real. "It's a buyer's market right now," declares Gray, of J. Walter Thompson. "Growing pressure will force some publishers to decide between going under or cutting rates to get business now."

However, not all is lost for magazines, predicts Dawn Sibley, executive vice president/media director at the advertising agency Ally & Gargano. "Enormous rate hikes in network television advertising time may bode well for publishers," she says. "Media buyers will take a closer look at print."□

Supreme Court nixes opinion protection

WASHINGTON, D.C.—In a decision some experts call dangerous for the press, the Supreme Court has ruled that statements of opinion are not automatically protected under the First Amendment.

The ruling found that newspaper columns and other forms of commentary may be libelous if they imply that they are based on fact. In such cases, it will be up to the plaintiff to prove that the statements are false.

"We're disappointed," says Henry Kaufman, director of the Libel Defense Resource Center. "Clearly, this unsettles the law on this issue."

Calling the ruling "hazardous to the health of free expression," Manhattan attorney Dick Winfield observes that it "will encourage more lawsuits and certainly more trials." Before the ruling, many lawsuits based on statements of opinion were dismissed early in the judicial process. Now it is more likely that those cases will go to trial.

The Supreme Court decision affects a 15-year-old Ohio case that a high school wrestling coach brought against a newspaper columnist for the *Lake County News-Herald*, published by Lorain Journal Company. J. Theodore Diadiun wrote that Michael Milkovich Sr. lied under oath to a judge investigating a gymnasium melee. The case will now be returned to a lower court.

In writing for the majority, Chief Justice William H. Rehnquist said the statements in the column amounted to an accusation and that it was "sufficiently factual to be susceptible of being proved true or false." Chief Justice Rehnquist was joined by six justices in his opinion.

Winfield says the ruling could make publications "a bit more gunshy in what they publish." It's also likely to end up costing magazines more money because more libel cases will probably go to trial.

"I find a fair amount of solace in the Court's restatement of the privileges we already had," says Kaufman. But as Winfield points out, "Once a privilege is rolled back, you have a winner and a loser. The winner here is not the press."—*C.P.R.*

FOLIO:'s

1990 production salary survey

The big change in production: Technology. The big question: How will it affect pay?

BY ROBERT M. STEED

At the center of the revolution in publishing technology are the production professionals who have to make it all work. Their responses to FOLIO:'s sixth annual production salary survey indicate that recent rapid-fire technological changes have had significant positive impact on their work—giving them more control and flexibility, better quality work, and an ability to produce more in less time with reduced staff.

The main drawback is the immense pressure of keeping up with—and evaluating—new technology. Also, as one production director put it: "The changing technology has made defining job responsibilities very unclear. Pre-press isn't what it used to be. Where do the new functions fall? Art, editorial, production? This is also creating a big power play for personnel and equipment."

It is evident that increased computerization is greatly reducing the time production directors and managers, and their staffs, must devote to the routine, less-skilled aspects of the production job. At the same time, production people have to learn a whole new set of skills and take on increasing responsibility as they respond to the challenge of computerization. The overall impact of these changes on their compensation levels is as yet unclear.

Along with all that change, production professionals are faced with the constant pressure to get out the next issue—on time, on budget, and with high quality. How well they meet that challenge is often the main determinant of their pay in the short run, as measured in this survey.

Production directors

The salary of production directors of consumer magazines averages $50,483, over $7,000 (16 percent) more than their counterparts on business publications. Total compensation of directors on consumer books who receive a bonus is $60,547, over $14,000 (31 percent) higher than the total compensation of those working on business magazines.

Production directors in the Northeast barely edge out those in the South by $1,500. Salary in the lowest paid region—the North central—trails by just $5,668 (13 percent).

Slightly over half the directors are women, and their salary averages 85.7 percent of men's. While still far from parity, that does seems to show some signs of catching up. However, when bonuses are factored in, women directors' total compensation falls to 76 percent of men's. Moreover, almost half the men are eligible for a bonus, whereas only 38 percent of the women are.

Age and experience are clearly correlated with salary. Directors who are over 50 are paid $62,614, almost double what their counterparts who are under age 30 receive. Experience has an even more powerful impact, with salary rising steadily from $27,292 for those with less than three years in production to $64,848 for those with more than 20. Total compensation shows the payoff of experience even more dramatically, with directors over age 50 averaging almost $97,000 and those with more than 20 years in production averaging almost $103,000.

Directors on magazines with over 500,000 in circulation average $62,813 in salary and $86,800 in total compensation—which is substantially more than those at smaller magazines (where pay differentials based on size are relatively small) receive. These results are heavily affected by production directors working on large consumer magazines, who represent over one-fourth of the consumer respondents and who average $65,785 in salary alone.

The salary of directors eligible for a bonus averages $5,000 *more* than the salary of directors who are not eligible; and salary plus bonus averages $9,000 (20.6 percent) more than the salary alone of those who don't receive a bonus.

Fully 70 percent of directors are

• In Summary •

- Salary differences among production directors and production managers are slight, but total compensation (salary plus bonus) shows much more variation among production directors; less among production managers.
- Although salaries in the Northeast are higher, the difference is small compared with the often huge gaps seen in surveys of other groups of publishing professionals.
- About 70 percent of production directors are responsible for more than one magazine, while less than half of production managers are.
- Overall, bonuses play a far greater role in directors' pay packages than in managers'.

The regions have been divided as follows:

responsible for more than one magazine. Their salary averages $5,500 more than the salary of directors responsible for only one magazine, and their total compensation is $12,500 (28 percent) higher.

There are other indications of the strong impact of bonus payments on directors:

• Salaries of directors on magazines producing 3,000 total pages or more are only $12,000 (30 percent) more than what those on the smallest magazines receive. Yet their total compensation is almost $33,000 (87 percent) higher.

• The salary of directors on weeklies and biweeklies is a bare $1,675 more than what those on monthlies receive; but their total compensation is almost $8,000 higher.

• Directors supervising the largest departments (more than five staff members) are paid salary plus bonus almost $25,000 more than that paid to those whose departments have two to five employees. On a salary-only basis, the difference is only $11,000.

Production managers

The salary relationships and conclusions evident in the data on production directors are almost all the same for managers, although the pay levels are, of course, lower. However, bonuses do not have anything like the impact on managers' total compensation as they do on directors' total compensation.

Managers average $28,941 compared with $46,548 for directors, a difference of about 61 percent. Managers on consumer magazines average $31,333, almost $4,000 (14 percent) more than those on business publications; and their salary plus bonus is $5,378 (19 percent) higher.

As with their bosses, managers in the Northeast earn the highest salaries—about $2,000 more than their nearest competitors in the West and $4,765 more than those in the North central region, which once again is last. However, in an unusual reversal, the West leads in total compensation at $32,247, with the Northeast able to place no better than third.

Over three-quarters of the sample are women. But their salary still averages only 78.6 percent of men's. Unlike directors, however, the ratio moves up—to 82 percent—when bonus is factored in. Women are, however, slightly less likely to be paid a bonus, with 37.5 percent of them receiving one compared with 41.5 percent of men.

Managers responding to this survey are relatively young, with 43 percent under 30 and another 35 percent between 30 and 39. And the data indicate, naturally, that salary increases with age, moving from an average of $24,537 for those under 30 to $38,322 for those over 50. (However, surprisingly, there is only a $1,000 difference between those who are thirty-something and those who are forty-something.)

Experience is an even more telling determinant of pay. Managers with less than three years in production average $23,000 in salary, while those with more than 20 years average almost $39,500 (about 70 percent higher).

There are two significant areas

• Using the numbers •

It is important to use the salary information in this survey cautiously. In many instances, there were not enough respondents in certain subcategories to allow valid conclusions to be reached, because even one exceptionally high or low salary could affect the average dramatically. For this reason, FOLIO: is publishing the number of respondents in each cell (shown in parentheses). In addition, not all respondents answered all questions. Therefore, the total number of respondents in the "average" column of a chart is not necessarily the sum of the subcategories.

The survey also examines only one variable at a time. For example, production directors in the Northeast earn higher salaries than their peers in other regions. But are those in the Northeast who participated in the survey working on larger magazines? Are they the ones with the most experience? The survey methodology does not enable these multiple variables to be analyzed.

One should also be cautious about comparing the data in this survey with data from prior years. Because the sample is drawn randomly from mastheads each year, those who responded to this survey may well come from a different mix of magazines or demographics than respondents to prior surveys. Comparisons are thus best made not on the broad averages, but on the more detailed breakdowns by magazine size, respondents' experience and the like.

"Computers have changed the roles of production managers and art directors. These positions begin to merge. It forces all production personnel to become more computer literate."

— Production director on a monthly business publication in the Northeast, earning a salary in the mid-forties.

"We are currently utilizing satellite transmission for late editorial pages. This technology lets us print the most timely stories in the least amount of time."

— Production manager in the Northeast working on a large monthly consumer title, earning $40,000.

"Desktop publishing has helped my staff and me produce more, better looking work, in less time. Our overtime is now held to a minimum. Spreadsheet and database programs are giving us an accurate and timely projection of each issue. I'll *never* go back to speccing type!"

— Production director on a biweekly business magazine in the West, earning approximately $35,000.

Production director

Production director (may be called VP of production): Negotiates printing, typesetting and engraving contracts; establishes production schedules. Oversees production managers and advises on technical matters; is directly responsible for quality control.

Average salaries (The number of respondents is in parentheses.)		% increase from '89 to '90
All respondents	$46,548 (158)	9.2%
Business	43,350 (85)	9.8
Consumer	50,485 (72)	8.7
Top one-third	$65,746 (52)	
Middle one-third	43,453 (53)	
Bottom one-third	30,806 (53)	

	Average	Average business	Average consumer
By region:			
Northeast	$48,453 (71)	$44,387 (43)	$54,696 (28)
South	46,994 (26)	38,650 (10)	52,209 (16)
North central	42,785 (23)	41,444 (16)	45,850 (7)
Western	44,961 (38)	45,406 (16)	45,095 (21)
By sex:			
Male	$50,270 (76)	$45,449 (37)	$54,845 (39)
Female	43,097 (82)	41,732 (48)	45,329 (33)
By age:			
29 or less	$32,855 (17)	$32,961 (12)	$32,000 (4)
30-39	42,758 (73)	41,845 (40)	43,864 (33)
40-49	49,939 (46)	46,395 (20)	52,665 (26)
50 or more	62,614 (22)	52,885 (13)	76,667 (9)
By years in production:			
Up to 3	$27,292 (6)	$25,750 (5)	$35,000 (1)
4-10	38,375 (62)	39,036 (36)	37,560 (25)
11-20	49,380 (64)	46,306 (31)	52,267 (33)
More than 20	64,848 (25)	55,015 (13)	75,500 (12)
Eligible for bonus:			
Yes	$49,244 (75)	$45,116 (39)	$53,715 (36)
No	44,111 (83)	41,852 (46)	47,251 (36)
Responsible for:			
One magazine	$42,744 (47)	$38,977 (22)	$46,058 (25)
More than one	48,158 (111)	44,877 (63)	52,837 (47)
By employees supervised:			
None	$40,446 (14)	$29,893 (7)	$51,000 (7)
One	35,742 (13)	37,414 (7)	33,792 (6)
2-5	44,516 (86)	41,790 (46)	47,974 (39)
More than 5	55,451 (45)	51,649 (25)	60,203 (20)
By circulation:†			
Up to 19,999	$38,428 (20)	$37,558 (18)	$46,250 (2)
20,000-49,999	35,728 (26)	37,020 (22)	28,625 (4)
50,000-99,999	44,136 (29)	44,763 (16)	44,063 (12)
100,000-499,999	48,873 (60)	51,887 (26)	46,569 (34)
500,000 or more	62,813 (23)	43,000 (3)	65,785 (20)
By frequency:†			
Weekly/biweekly	$49,353 (17)	$47,308 (13)	$56,000 (4)
Monthly	47,678 (96)	43,556 (55)	53,663 (40)
Other	43,076 (45)	39,655 (17)	45,154 (28)
By average total pages produced annually:†			
Up to 499	$40,994 (31)	$43,713 (19)	$36,688 (12)
500-999	40,923 (29)	37,471 (16)	45,173 (13)
1,000-1,499	46,088 (25)	45,636 (11)	48,014 (14)
1,500-2,999	51,020 (40)	44,848 (21)	57,842 (19)
3,000 or more	53,205 (20)	47,889 (9)	57,555 (11)

†Refers to the largest circulation magazine on which respondent works.

Production manager

Production manager: Directly responsible for daily production operations, including publication paste-up, quality control and maintaining production schedules. Is liaison with printing plant. May traffic advertising and editorial materials.

Average salaries (The number of respondents is in parentheses.)		% increase from '89 to '90
All respondents	$28,941 (219)	10.6%
Business	27,417 (130)	11.2
Consumer	31,333 (87)	9.0
Top one-third	$39,925 (73)	
Middle one-third	27,099 (73)	
Bottom one-third	19,800 (73)	

	Average	Average business	Average consumer
By region:			
Northeast	$31,334 (80)	$28,898 (49)	$35,525 (30)
South	27,210 (41)	25,454 (28)	30,992 (13)
North central	26,569 (52)	26,985 (38)	25,440 (14)
Western	29,314 (41)	28,900 (13)	29,747 (27)
By sex:			
Male	$34,479 (53)	$32,491 (23)	$36,003 (30)
Female	27,193 (165)	26,348 (106)	28,874 (57)
By age:			
29 or less	$24,537 (94)	$23,614 (61)	$26,281 (32)
30-39	30,940 (76)	31,112 (41)	30,967 (34)
40-49	31,950 (31)	29,966 (19)	35,090 (12)
50 or more	38,522 (18)	30,978 (9)	45,667 (9)
By years in production:			
Up to 3	$23,001 (69)	$21,969 (43)	$24,708 (26)
4-10	29,743 (101)	27,795 (59)	32,907 (40)
11-20	34,456 (32)	35,174 (19)	33,406 (13)
More than 20	39,438 (16)	37,250 (8)	41,625 (8)
Eligible for bonus:			
Yes	$28,377 (93)	$26,140 (54)	$31,643 (38)
No	29,358 (126)	28,324 (76)	31,092 (49)
Responsible for:			
One magazine	$28,576 (119)	$26,913 (70)	$31,116 (48)
More than one	29,194 (99)	28,005 (60)	31,181 (38)
By employees supervised:			
None	$24,208 (70)	$23,008 (47)	$26,659 (23)
One	29,138 (56)	28,657 (37)	30,467 (18)
2-5	32,216 (76)	30,291 (38)	34,142 (38)
More than 5	33,147 (17)	33,938 (8)	33,375 (8)
By circulation:†			
Up to 19,999	$24,635 (39)	$24,486 (34)	$25,652 (5)
20,000-49,999	25,960 (58)	26,153 (40)	25,682 (17)
50,000-99,999	28,509 (43)	28,507 (29)	28,513 (14)
100,000-499,999	30,932 (54)	31,812 (27)	30,052 (27)
500,000 or more	40,457 (25)	0 (0)	40,457 (25)
By frequency:†			
Weekly/biweekly	$28,642 (33)	$30,617 (23)	$24,100 (10)
Monthly	28,842 (145)	26,306 (89)	33,052 (55)
Other	29,843 (39)	28,822 (18)	30,718 (21)
By average total pages produced annually:†			
Up to 499	$25,206 (47)	$25,817 (29)	$24,222 (18)
500-999	27,724 (52)	25,779 (31)	30,975 (20)
1,000-1,499	28,029 (41)	28,167 (27)	27,763 (14)
1,500-2,999	32,501 (44)	29,145 (20)	35,298 (24)
3,000 or more	33,255 (22)	31,067 (15)	37,943 (7)

†Refers to the largest circulation magazine on which respondent works.

where the data for managers are different from those for directors:

• About 42 percent of managers are eligible for a bonus, and their salary trails managers who are not eligible for a bonus by about $1,000. On the other hand, directors eligible for a bonus are also paid substantially higher salaries.

• Only 45 percent of managers work on more than one magazine—and they average a bare $600 more for doing so.

The size of the magazine correlates directly with salary, which rises gradually from $24,635 on magazines with under 20,000 circulation to $30,932 for those working on magazines with between 100,000 and 500,000 circulation. It then takes a substantial jump to $40,457 for magazines with over 500,000 in circulation. This is entirely attributable to production managers working on large consumer magazines, who represent over 25 percent of the consumer sample.

Another indicator of size is average pages produced. Again, salary rises steadily, but not substantially, as number of pages increases. But those working on the largest magazines earn only $8,000 (32 percent) more than those on the smallest. And, as we have seen elsewhere, bonuses have little impact, with total compensation on the largest magazines $9,000 (32 percent again) higher than on the smallest.

"As we move toward this new technology, my responsibilities have increased dramatically—my salary and staff have not."

— Production manager in the South earning salary in the low twenties.

The highs and lows

Comparing the highest paid one-third of directors and managers with the lowest paid one-third, for both salary and total compensation, highlights the importance of bonuses in the compensation mix of production directors—as well as its relative un-

Average annual total compensation*

	Production director	Production manager
Eligible for bonus:		
Yes	$53,197 (68)	$50,194 (84)
No	44,111 (83)	29,358 (126)
By magazine type:		
Consumer	$60,547 (33)	$53,331 (35)
Business	46,266 (35)	27,953 (49)
By region:		
Northeast	$57,506 (33)	$50,880 (25)
South	53,300 (10)	31,507 (15)
North central	52,456 (8)	26,167 (17)
Western	45,119 (17)	52,247 (22)
By sex:		
Male	$59,748 (37)	$54,820 (22)
Female	45,377 (31)	28,552 (62)
By age:		
29 or less	$32,969 (11)	$26,756 (45)
30-39	48,469 (36)	53,165 (24)
40-49	59,503 (14)	54,985 (13)
50 or more	96,686 (7)	40,750 (2)
By years in production:		
Up to 3	$26,944 (4)	$24,427 (28)
4-10	40,868 (32)	31,650 (43)
11-20	60,418 (24)	59,578 (10)
More than 20	102,900 (7)	40,750 (2)
Responsible for:		
One magazine	$44,748 (22)	$30,378 (44)
More than one	57,237 (46)	29,414 (39)
By employees supervised:		
None	$45,900 (7)	$24,953 (25)
One	33,688 (4)	30,533 (20)
2-5	45,529 (34)	31,664 (34)
More than 5	70,146 (25)	45,040 (5)
By circulation:†		
Up to 19,999	$33,113 (8)	$25,801 (16)
20,000-49,999	34,855 (11)	28,008 (25)
50,000-99,999	45,588 (11)	33,267 (17)
100,000-499,999	57,128 (28)	28,675 (19)
500,000 or more	86,800 (10)	44,700 (7)
By frequency:†		
Weekly/biweekly	$60,850 (10)	$31,174 (9)
Monthly	53,077 (38)	30,341 (59)
Other	49,597 (20)	29,539 (15)
By average total pages produced annually:†		
Up to 499	$37,558 (14)	$28,491 (16)
500-999	42,940 (14)	29,038 (22)
1,000-1,499	55,455 (11)	29,138 (18)
1,500-2,999	63,200 (15)	31,991 (15)
3,000 or more	70,200 (7)	37,673 (9)

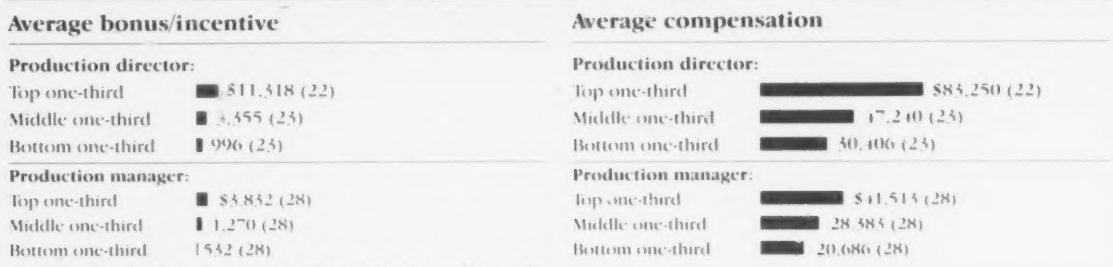
*Includes only individuals who reported receiving both salary and bonus; the number of respondents is in parentheses.
†Refers to the largest circulation magazine on which respondent works.

Average annual bonus/incentive*

	Production director	Production manager
Average bonus:	$5,134 (68)	$1,878 (84)
By magazine type:		
Consumer	$6,494 (33)	$1,833 (35)
Business	3,851 (35)	1,910 (49)
By region:		
Northeast	$5,905 (33)	$2,032 (25)
South	5,100 (10)	2,576 (15)
North central	4,300 (8)	1,645 (17)
Western	4,048 (17)	1,607 (22)
By sex:		
Male	$6,537 (37)	$1,975 (22)
Female	3,459 (31)	1,844 (62)
By age:		
29 or less	$1,830 (11)	$1,796 (45)
30-39	4,595 (36)	1,912 (24)
40-49	6,110 (14)	2,197 (13)
50 or more	11,143 (7)	1,250 (2)
By years in production:		
Up to 3	$819 (4)	$1,502 (28)
4-10	2,781 (32)	1,995 (43)
11-20	7,076 (24)	2,680 (10)
More than 20	12,214 (7)	1,250 (2)
Responsible for:		
One magazine	$4,191 (22)	$2,036 (44)
More than one	5,585 (46)	1,619 (39)
By employees supervised:		
None	$3,043 (7)	$1,446 (25)
One	2,500 (4)	1,443 (20)
2-5	5,799 (34)	1,654 (34)
More than 5	8,201 (25)	7,300 (5)
By circulation:†		
Up to 19,999	$1,925 (8)	$1,550 (16)
20,000-49,999	1,761 (11)	1,352 (25)
50,000-99,999	5,865 (11)	2,862 (17)
100,000-499,999	4,814 (28)	1,716 (19)
500,000 or more	13,700 (10)	2,557 (7)
By frequency:†		
Weekly/biweekly	$6,450 (10)	$3,274 (9)
Monthly	5,085 (38)	1,724 (59)
Other	4,568 (20)	1,740 (15)
By average total pages produced annually:†		
Up to 499	$1,701 (14)	$1,684 (16)
500-999	3,598 (14)	1,584 (22)
1,000-1,499	4,727 (11)	1,794 (18)
1,500-2,999	8,000 (15)	2,047 (15)
3,000 or more	8,129 (7)	3,084 (9)

*Includes only individuals who reported receiving both salary and bonus; the number of respondents is in parentheses.
†Refers to the largest circulation magazine on which respondent works.

Range of average bonus/incentive and total compensation*



*Includes only individuals who reported receiving both salary and bonus; the number of respondents is in parentheses.

importance for production managers.

Salary of the top one-third is roughly double that of the bottom, for both production directors and managers. And the highest paid group of directors earn only about 65 percent more than the highest paid group of managers.

On a total compensation basis, the relation between the top and bottom for managers remains at roughly double. But for directors it leaps to 2.7 times. As a result, the $83,250 in salary plus bonus that the highest paid directors receive is twice as much as the $41,513 earned by the highest paid managers.

Looked at another way, directors' salaries average, overall, $46,548—61 percent more than the $28,941 average for managers. But total compensation for directors who receive both salary and bonus jumps to $53,197, while total compensation for managers increases to just $30,194, a difference of 76 percent.

In the long run, publishers are likely to make increasing use of bonuses and other forms of incentive compensation for both directors and managers. If they do, it would enable those production professionals who seize and master the technological challenges of today and tomorrow to be rewarded substantially for their contributions to their magazines' success.

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• Methodology •

Four hundred twenty-one of the 1,070 production professionals who received questionnaires responded to FOLIO:'s sixth annual production salary survey, resulting in an overall response rate of 39.3 percent. Of the total responses, 381 (35.6 percent) contained sufficient information to be used for tabulation. The survey was conducted through two mailing efforts in February. Participants were asked to supply data reflecting 1990 earnings; if exact figures were unavailable, they were requested to estimate.

In some cases, respondents did not give an exact bonus figure, but gave an expected range instead. Here the mean was used for tabulation. For example, if a production professional indicated that his or her annual bonus would be between $4,000 and $6,000, the arithmetic mean of $5,000 was used as that respondent's expected bonus.

About 53 percent of the mailing was sent to production directors and 47 percent to production managers. Within those categories, about 52 percent of the mailing was sent to production professionals on business publications and 48 percent to those on consumer ones. Last, almost two-thirds of the sample was drawn from magazines with under 100,000 in circulation, while one-third came from magazines with over 100,000 circulation.

A job description has been included with each compensation chart. These descriptions were printed on the questionnaire, and respondents were asked to choose the description that most accurately reflected their duties.

"Mac is a must. Any 'pre-Mac' experience is almost useless. A young graphic artist with two years Mac experience is worth more than a graphic artist with 10 years and no Mac experience."

— Production director on a bimonthly consumer magazine in the Mid-Atlantic region, earning approximately $25,000.

"Being able to lay out the entire publication by computer has eliminated a lot of excess time in paste-up and worries about last-minute corrections."

— Production manager in the Northeast working on a monthly business publication, earning approximately $15,000 in salary and bonus.

"Computers have made other duties, such as scheduling, budgeting, checking invoices and bids, go quicker and easier."

— Production director working on a southern consumer magazine, earning a salary in the mid-forties.